

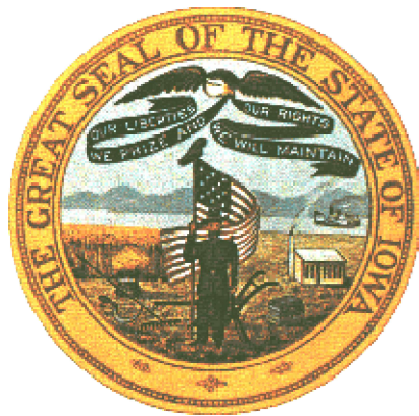
**STATE OF IOWA**

**STATE POLICE OFFICERS' COUNCIL**

**MEDICAL BENEFIT PROGRAM**

**REQUEST FOR PROPOSALS**

**(005-SPOC-M)**



Issued by:

The State of Iowa

*January 2010*

# State of Iowa

## Request for Proposals

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## **SECTION 1. INTRODUCTION AND BACKGROUND**

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Information regarding the State Police Officers' Council (SPOC) benefit programs is available on the State's web site: <http://benefits.iowa.gov/> under the Employee Benefits tab. Census, rate history, and claims information have been provided with this RFP.

### **1.1 Introduction**

The State of Iowa, Department of Administrative Services, is soliciting proposals for the insurance and administration of its SPOC medical insurance plan, with a July 1, 2010 effective date. The plan year for the SPOC program is July 1<sup>st</sup> through June 30<sup>th</sup>.

The SPOC medical insurance plan is currently available to approximately 650 active and retired employees in the Department of Public Safety and Department of Natural Resources. The primary reasons for this solicitation are to assess changes in the marketplace, ensure financial competitiveness, and to comply with State contract term and procurement requirements. Currently Wellmark Blue Cross Blue Shield of Iowa insures the medical and prescription drug plan under a fully insured arrangement. Under the current plan, an employee electing medical insurance must also carry dental insurance.

The State is seeking fully insured medical and pharmacy benefit proposals in response to this Request for Proposals. All proposals must include a statewide network with required access.

### **1.2 Current Medical Insurance Plan**

The SPOC employee medical plan is currently administered by Wellmark under a fully insured arrangement. Pharmacy benefit management is also provided.

Vendors should review the SPOC Health Benefits Summary dated July 2009 and the electronic benefit certificate provided at the State's web site: [http://benefits.iowa.gov/spoc\\_health\\_dental.html](http://benefits.iowa.gov/spoc_health_dental.html)

#### **1.2.1 Eligibility**

The current medical insurance plan is available to approximately 650 active and retired State employees in the Department of Public Safety and Department of Natural Resources. Not eligible for the plan are temporary employees, or permanent part-time employees working less than 20 hours per week.

#### **1.2.2 Current Medical Plan Designs**

Coverage through Wellmark Blue Cross and Blue Shield is available statewide through a Preferred Provider Organization (PPO).

The Description of Desired Services section of this RFP provides information regarding the requested plan design and funding approach.

#### **1.2.3 Rates and Employee Contributions**

## SECTION 1. INTRODUCTION AND BACKGROUND

### Medical Plan Monthly Premium Rate History

Plan Year	Contract Type	Alliance Select	
		Total	EE Share
2010	Single	\$372.78	\$0.00
	Family	\$931.84	\$ 139.78
2009	Single	\$369.27	\$0.00
	Family	\$923.06	\$135.18
2008	Single	\$372.99	\$0.00
	Family	\$932.36	\$139.84
2007	Single	\$371.58	\$0.00
	Family	\$928.88	\$154.44
2006	Single	\$354.28	\$0.00
	Family	\$885.66	\$132.84
2005	Single	\$323.68	\$0.00
	Family	\$809.18	\$131.66

The State pays 100% of the single contract premium. The State currently contributes 85% of the Alliance Select total family premium in even numbered years and splits any increase 50/50 in odd numbered years.

**Note: The descriptions of the following group insurance plans offered by the State are provided as reference information only and are not included in this RFP.**

### 1.3 Dental Insurance Program

#### 1.3.1 Eligibility

The SPOC dental plan is available to approximately 650 active and retired State employees in the Department of Public Safety and Department of Natural Resources. Not eligible for the plans are temporary employees, or permanent part-time employees working less than 20 hours per week.

#### 1.3.2 Dental Plans Offered

The State offers one comprehensive dental plan option for SPOC employees.

	Deductible	Coinsurance	Benefit Pd. Max	Lifetime Maximum
<b>Benefit Categories</b>			\$750	\$1,000
<b>Check Ups &amp; Teeth Cleaning</b> (Diagnostic & Preventive) 1. Dental Cleaning 2. Oral Evaluation 3. Fluoride Applications 4. X-Rays 5. Sealant Applications	Waived	100% of UCR	Yes	

## SECTION 1. INTRODUCTION AND BACKGROUND

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<b>Cavity Repair &amp; Tooth Extractions</b> (Routine and Restorative) 1. Emergency Treatment 2. General Anesthesia/Sedation 3. Restoration of decayed or fractured teeth 4. Limited Occlusal Adjustment 5. Routine Oral Surgery	Waived	50% of UCR	Yes	
<b>Root Canals</b> (Endodontic Services) 1. Apicoectomy 2. Direct Pulp Cap 3. Pulpotomy 4. Retrograde Fillings 5. Root canal Therapy	Waived	50% of UCR	Yes	
<b>Gum &amp; Bone Diseases</b> (Periodontal Services) 1. Conservative Procedures 2. Complex Procedures* 3. Maintenance Therapy	*\$25 per person per year	50% of UCR	Yes	
<b>High Cost Restorations</b> (Cast Restorations) 1. Crowns 2. Inlays 3. Onlays 4. Posts & Cores	Waived	50% of UCR	Yes	
<b>Dentures &amp; Bridges</b> (Prosthetics) 1. Bridges 2. Dentures	*\$25 per person per year	50% of UCR	Yes	
<b>Straighter Teeth</b> (Orthodontics)	*\$50 per person per year	20% of UCR		Yes

\*There is a \$25 deductible per person per year for complex periodontal procedures, a separate \$25 deductible per person per year for prosthetic services, and a separate \$50 deductible per person per year for orthodontic services.

### 1.3.3 Rates and Employee Contributions

## SECTION 1. INTRODUCTION AND BACKGROUND

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### Dental Plan Monthly Premium Rate History

Plan Year	Contract Type	Dental Plan	
		Total	EE Share
2010	Single	\$26.45	\$0.00
	Family	\$66.49	\$ 14.62
2009	Single	\$24.95	\$0.00
	Family	\$62.73	\$14.64
2008	Single	\$23.77	\$0.00
	Family	\$59.74	\$13.14
2007	Single	\$23.08	\$0.00
	Family	\$58.00	\$13.52
2006	Single	\$21.98	\$0.00
	Family	\$55.24	\$12.14
2005	Single	\$19.63	\$0.00
	Family	\$49.32	\$12.64

The State pays 100% of the single contract premium. The State currently contributes 78% of the dental total family premium in even numbered years and splits any increase 50/50 in odd numbered years.

**Administration of the dental program is not included in this RFP.**

### 1.4 Life Insurance Plan

#### 1.4.1 Eligibility

The group term life plan is available to approximately 25,000 active State employees in the Executive, Legislative, and Judicial branches. An employee is eligible for group life insurance on the first day of the month following thirty (30) days of continuous full-time employment. Full-time employment is defined, for the purpose of life insurance, as working 30 or more hours per week. SPOC members are covered under this plan.

#### 1.4.2 Coverage

Employees under age 65 are provided \$20,000 of group term life insurance

Full-time employees have the option of applying for supplemental life insurance coverage plus an equal amount of group accidental death and dismemberment (AD & D) coverage. Supplemental life insurance may be purchased in \$5,000 increments and the maximum amount of coverage available varies by bargaining unit.

Supplemental life insurance coverage is guaranteed issue if applied for within the first 31 days of employment. Employees can apply for additional coverage at any time subject to Hartford's evidence of insurability underwriting requirements.

## SECTION 1. INTRODUCTION AND BACKGROUND

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Upon the employee's termination from State service, the life insurance policy may be converted to an individual whole life policy.

**Administration of the life insurance program is not included in this RFP.**

### 1.5 Long Term Disability (LTD) Insurance Plan

#### 1.5.1 Eligibility

The State's group LTD plan is available to approximately 25,000 active State employees in the Executive, Legislative, and Judicial branches. An employee is eligible for group LTD insurance on the first day of the month following thirty (30) days of continuous full-time employment which is defined as working 30 or more hours per week. SPOC members are covered under this plan.

#### 1.5.2 Coverage

The State's Long term disability plan is available through the Hartford. The plan's coverage offers a benefit of up to 60 percent up to \$60,000 of an employee's annual base earnings.

- Minimum benefit of \$50 per month.
- Benefit is offset by primary and family social security, workers' compensation, and other state sponsored sickness or disability benefits excluding retirement system benefits.
- Waiting period is 90 working days of the use of all accrued sick leave, whichever is greater.
- Employees receive a maximum of 18 days of sick leave per year with no maximum carry over amount.

**Administration of the disability insurance program is not included in this RFP.**

### 1.6 Cafeteria Plan

The State of Iowa sponsors a cafeteria plan that contains a medical reimbursement flexible spending account, a dependent care flexible spending account, and a premium conversion plan. The State administers the premium conversion plan. The State contracts with a third party administrator to administer the flexible spending accounts.

The premium conversion plan allows employees to pay their health, medical, and life insurance premiums on a pretax basis. These plans cover eligible employees employed by the State of Iowa, including all three branches of government, eight community-based correctional districts, the Iowa Fair Board, and the Schools for the Deaf and Blind. SPOC members are covered under this plan.

The current medical reimbursement maximum limit is \$3,000.

**Administration of the cafeteria program is not included in this RFP.**



## **SECTION 2: ADMINISTRATIVE PROCEDURES AND PROCUREMENT PROCESS**

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### **2.1 RFP Coordinator**

The RFP Coordinator, identified below, is the sole point of contact regarding the RFP from the date of issuance until selection of the successful bidder. Deloitte Consulting, the State's employee benefits consultant, will assist in the RFP process.

Ed Holland  
Risk & Benefits Management Administrator  
State of Iowa  
Hoover State Office Building  
1305 East Walnut Street  
Des Moines, Iowa 50319-0150  
[ed.holland@iowa.gov](mailto:ed.holland@iowa.gov)  
FAX (515) 281-5102

### **2.2 Restriction on Communication**

From the date of issuance of this RFP until announcement of the successful bidder, bidders may contact only the RFP Coordinator. The RFP Coordinator will respond only to written questions (including e-mail) regarding the procurement process. Questions related to the interpretation of this RFP must be submitted in writing to the RFP Coordinator in accordance with the timeline set forth in this RFP. In the event that a bidder or someone acting on the bidder's behalf attempts to discuss the RFP orally or in writing, with any employee of the State of Iowa, the bidder may be disqualified. Bidders may continue to communicate with State staff regarding other business matters relative to State business.

### **2.3 Procurement Timetable**

The dates set forth below are for informational purposes only. The State reserves the right to change the dates.

Action	Date
Invitation to Bid Issued	January 8, 2010
Deadline for Receipt of Bidder Questions	January 22, 2010
State Issues Response To Bidder Questions	February 1, 2010
Bid Receipt Deadline	February 26, 2010 4:00 p.m. Central
Bids Evaluated and Scored	March 12, 2010
Finalist Interviews (possible)	April 1, 2010
Executive Council	May, 2010
SPOC Annual Enrollment Period Begins	June, 2010
Contract Executed	June 30, 2010
Plan Year Begins	July 1, 2010

## **SECTION 2: ADMINISTRATIVE PROCEDURES AND PROCUREMENT PROCESS**

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### **2.4 Submission of, and Responses to, Written Questions**

All inquiries, including any questions related to the terms and conditions of this RFP, should be made in writing and submitted to the RFP Coordinator at the address noted. Oral inquiries will not be accepted. The RFP Coordinator must receive all inquiries in writing **no later 4:00 p.m. Central, January 22, 2010**. The State's responses to questions will not identify the submitter and will be posted to the web site at <http://www.das.hre.iowa.gov> on or before February 1, 2010.

### **2.5 Amendment to the Request for Proposal**

The State reserves the right to amend the RFP at any time. In the event it becomes necessary to amend, add to, or delete any part of the RFP, an amendment will be provided to all bidders who requested the original RFP, and will be posted on the web site at <http://www.das.hre.iowa.gov>. A bidder's response must include acknowledgement of any addenda.

### **2.6 Submission of Proposals**

The proposal submitted by your company will constitute your company's unqualified consent to all of the procedures below.

- 2.6.1.** The proposal submitted in response to this invitation will be considered the **only** submission after the due date. Revised proposals will not be permitted after proposals are opened, unless the State requests additional or clarifying information. However, prior to the proposal due date, a submitted proposal may be withdrawn by submitting a written request for its withdrawal to the RFP coordinator and signed by the bidder. Once a proposal is opened, it will be considered a firm and binding proposal, and may not be withdrawn from consideration.
- 2.6.2.** Proposals facsimiled or electronically mailed will not be accepted. It is the bidder's responsibility to ensure that the proposal has been received by the deadline. Post marking by the due date will not substitute for actual receipt.
- 2.6.3.** In all cases, no verbal communication shall override written communication from the State of Iowa or the RFP Coordinator. No one is authorized to amend the specifications in any respect by any oral statement or to make any oral representation or interpretation in conflict with the provisions of the specifications.
- 2.6.4.** Bidder representatives shall **not** contact any State official or staff member other than the RFP Coordinator to explain, amplify, or discuss submitted proposals. All such communications shall be with the RFP Coordinator. For violation of this provision, the State shall reserve the right to reject the proposal by that bidder. Bidders may continue to communicate with State staff regarding other business matters relative to State business.
- 2.6.5.** Proposals are to be prepared assuming an effective date of July 1, 2010.

## SECTION 2: ADMINISTRATIVE PROCEDURES AND PROCUREMENT PROCESS

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**2.6.6.** Sealed proposals must be clearly identified on the envelope as outlined below and submitted to the RFP Coordinator no later than **4:00 p.m. Central, February 26, 2010**. Late proposals will be returned unopened.

The proposals are to be in two parts. One part is to be a sealed "**Technical Proposal**". *(Note: All bidders must complete and include the attached **Proposal Checklist** with the Technical Proposal to verify that all RFP submission requirements have been met).* The second part is to be a sealed "**Cost Proposal**". The Cost Proposal should be provided only to Deloitte Consulting and will be evaluated if all of the mandatory requirements are met by the bidder in the Technical Proposal.

Required fee quotation formats are provided electronically and in the Cost Proposal sections of this document. Vendors are required to complete the forms as provided in this solicitation. Medical insurance proposals are required for the fully insured arrangement described in this RFP and may include additional alternative funding arrangement proposals.

One (1) original and six (6) copies of the **Technical Proposal** as well as one (1) electronic copy must be submitted to:

Ed Holland  
Risk & Benefits Management Administrator  
State of Iowa  
Hoover State Office Building  
1305 East Walnut Street  
Des Moines, Iowa 50319-0150  
Ed.holland@iowa.gov

In addition, if the bidder's proposal contains confidential information, the bidder will provide an electronic copy with all confidential information redacted to [ed.holland@iowa.gov](mailto:ed.holland@iowa.gov).

One (1) paper copy of the **Technical Proposal and the Cost Proposal** as well as one (1) full electronic file copy must be submitted to:

Jill Korsh  
Senior Manager  
Deloitte Consulting LLP  
50 South Sixth Street, Suite 2800  
Minneapolis, Minnesota 50402-1538  
jkorsh@deloitte.com

### 2.7 Costs of Preparing the Proposal

Costs incurred for developing a proposal are the sole responsibility of the bidder. There will **not** be any reimbursement for these costs. If the State should determine that bidder interviews are necessary, any costs associated with oral presentations to the State will be the responsibility of the bidder and will in no way be billable to the State.

## **SECTION 2: ADMINISTRATIVE PROCEDURES AND PROCUREMENT PROCESS**

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### **2.8 Right to Negotiate with Finalists**

The State reserves the right to negotiate benefit plan amendments and/or modifications to financial, administrative, or enrollment arrangements with the bidder(s) selected to administer the plan.

### **2.9 Waiver of Deficiencies & Nonmaterial Variations**

The State reserves the right to waive or permit cure of nonmaterial variances in a proposal provided, however, such waiver will be based on the best interest of the State. Nonmaterial variances include minor informalities that do not affect responsiveness, variances that are merely a matter of form or format, variances that do not change the relative standing of other bidders, variances that do not prejudice other bidders, variances that do not change the meaning or scope of the RFP, or variances that do not reflect a material change in the services.

Failure to provide any mandatory requirements or information shall not be considered a nonmaterial variation that the State can waive or permit cure. In the event the State waives or permits cure of nonmaterial variances, such a waiver or cure will not modify the RFP requirements or excuse the bidder from full compliance with RFP specifications or other contract requirements if the bidder is awarded the contract. The determination of whether a particular matter constitutes a material or nonmaterial variation from the RFP is within the sole discretion of the State.

### **2.10 Rejection of Proposals**

At any time prior to the execution of the written contract, the State of Iowa reserves the right to reject any or all bids at its discretion in whole or in part, to amend and reissue this RFP, to advertise for new proposals, to abandon the need for such services, and to cancel this RFP if it deems such actions to be in the best interests of the State. A proposal will be rejected outright and not evaluated if a bidder fails to deliver its proposal by 4:00 p.m. central time, on the due date.

### **2.11 Copyrights**

By submitting a proposal, the bidder agrees that the State may copy the proposal for purposes of facilitating the evaluation of the proposal or to respond to requests for public records. By submitting a proposal, the bidder consents to such copying and warrants and represents that such copying will not violate the rights of any third party. The State will have the right to use ideas or adaptations of ideas that are presented in the proposals.

### **2.12 Public Records and Requests for Confidentiality**

**2.12.1.** All information submitted by a bidder may be treated as a public record by the State unless the bidder properly requests that information be treated as confidential information at the time its proposal is submitted. The laws of the State of Iowa require that at the conclusion of the selection process, the contents of all proposals be placed in the public domain and be open to inspection by interested parties pursuant to Iowa Code chapter 22.

**2.12.2.** Any request for confidential treatment of information must be included in the transmittal letter with the bidder's proposal. In any such request, the bidder must enumerate the specific grounds under Iowa Code chapter 22 that support the

## **SECTION 2: ADMINISTRATIVE PROCEDURES AND PROCUREMENT PROCESS**

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treatment of materials as confidential and must also explain why disclosure of the information is not in the best interest of the public.

- 2.12.3.** Any documents submitted which contain confidential information must be marked on the outside as containing confidential information, and each page upon which confidential information appears must be marked as containing confidential information. The confidential information must be clearly identified to the reader where it appears. All copies of the proposal submitted, as well as the original, must be marked in this manner. Identification of the entire proposal as confidential shall be deemed non-responsive and shall disqualify the bidder.
- 2.12.4.** The information marked confidential shall be treated as confidential information to the extent such information is determined to be confidential under Iowa Code chapter 22 or other provisions by a court of competent jurisdiction.
- 2.12.5.** In the event the State receives a request for information marked confidential, written notice shall be given to the bidder prior to the release of the information to allow the bidder to seek injunctive relief pursuant to Iowa Code section 22.8.
- 2.12.6.** A bidder's failure to request confidential treatment of material pursuant to this section and the relevant laws will be deemed by the State as a waiver of any right to confidentiality that a bidder may have had.

### **2.13 Proposals Property of the State**

All proposals become the property of the State of Iowa and will not be returned to the bidder.

### **2.14 Construction of RFP and Laws and Rules**

This RFP is to be construed in light of pertinent legal requirements. Changes in applicable laws and rules may affect the award process or the resulting contract. Bidders are responsible for ascertaining pertinent legal requirements and restrictions.

### **2.15 Release of Claims**

By submitting a proposal, each bidder agrees that it will not bring any claim or have any cause of action against the State of Iowa based on any misunderstanding concerning the information provided in this RFP or concerning the State's failure, negligence or otherwise to provide the bidder with pertinent information as intended by this RFP.

### **2.16 Proposals Duration**

Any submitted proposal shall remain a firm, valid proposal for twelve (12) months after the proposal due date.

### **2.17 Gratuities**

Iowa law provides that it is a felony to offer, promise or give anything of value or benefit to a State employee with the intent to influence that employee's acts, opinion, judgment or exercise of discretion with respect to that employee's duties.

### **SECTION 3: GENERAL TERMS AND CONDITIONS OF THE CONTRACT**

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The contract that will be awarded as a result of this RFP will be based upon the proposal submitted by the successful bidder. The State of Iowa reserves the right to award a contract without further negotiation with the successful bidder or to negotiate contract terms with the selected bidder if the best interests of the State would be served.

Attached to and made part of this RFP are the State of Iowa's standard contract and proposed medical insurance contract applicable to this RFP (Attachment 3). Inclusion of these contracts in no way represents an offer to contract.

**The State acknowledges that additional standard contract language may need to be incorporated into a contract for this type of service. However, the provisions and general language laid out in Attachment 3 will be required in any resulting agreement.**

Proposals must include a redlined (deletions shown with strikeouts, additions shown with underlining) copy of the attached standard contract showing any and all change(s) that the bidder would propose to make. Any deviations to the requested services or contract terms should be clearly noted in the Deviations Worksheet, Attachment 2. Any contract language that is not modified with redlining shall be deemed to indicate that the bidder is willing to agree to that contract language as written. **The number, nature and extent of requested contract revisions in each bidder's proposal will be an evaluation factor.**

## **SECTION 4: SERVICE REQUIREMENTS AND MINIMUM QUALIFICATIONS**

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### **4.1 Description of Desired Services**

The State of Iowa is soliciting proposals from qualified companies to provide a statewide medical and pharmacy benefit network and insurance for SPOC employees effective July 1, 2010. The selected bidder(s) will also be expected to project costs for collective bargaining and proposed legislation, as well as assume fiduciary responsibilities for the plan. The selected health insurance bidder will also be expected to insure the pharmacy benefits provided under the medical plan. Proposals are required for a fully insured arrangement. Additional alternative funding arrangement proposals may be submitted.

#### **4.1.1 Desired Plan Designs**

The desired plan design is the same as the current medical plan design as changes are determined by collective bargaining. Vendors should review the Health Benefits Summary and the electronic benefit certificates provided at the State's web site: [http://benefits.iowa.gov/spoc\\_health\\_dental.htm](http://benefits.iowa.gov/spoc_health_dental.htm).

#### **4.1.2 Desired Funding Arrangement**

The State requires a fully insured funding arrangement proposal in response to this RFP. The current rate structure is two-tier rates (employee or family) and the State also requests rates on a three-tier basis (employee, employee +1, or family).

#### **4.1.2 Employee Contributions**

The State pays 100% of the single contract premium for both medical and dental insurance. The State currently contributes 85% of the Alliance Select total family premium in even numbered years and splits any increase 50/50 in odd numbered years. Employees electing medical benefits must enroll in the dental plan.

### **4.2 Telephone Services**

The Contractor shall maintain a toll-free telephone number to respond to Participant inquiries as well as a toll-free TDD line for hearing impaired Participants. Upon proper identification, the Contractor shall, to the extent possible, answer inquiries over the telephone. The Contractor shall also provide an interactive voice response toll-free telephone system, which will enable Participants to obtain current, personalized information as well as general information concerning the Plan.

### **4.3 Minimum Bidder Qualifications**

The following criteria must be met in order to be considered a full response to this RFP:

- Ability to provide a statewide medical provider and pharmacy network.
- Ability to administer the State's plan design.
- Adherence to RFP timelines and requirements.
- Demonstrated organizational financial stability.
- Experience serving large public sector clients and union groups.
- Satisfactory references.

## **SECTION 4: SERVICE REQUIREMENTS AND MINIMUM QUALIFICATIONS**

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### **4.4 Minimum Proposal Qualifications**

**4.4.1 Signature of Officer Binding the Bidder.** The offer made by the proposal, and any clarifications to that proposal, shall be signed by an officer of the proposing bidder empowered to bind the bidder in a contract.

**4.4.2 Acceptance of Terms and Conditions.** Each bidder shall specifically stipulate that the proposal is predicated upon the acceptance of all terms and conditions stated in the RFP, and all attachments. If the bidder objects to any term or condition, it shall make specific reference to the RFP page and section number(s) at issue. Objections or responses that materially alter the RFP shall be deemed non-responsive and shall disqualify the bidder.

### **4.5 Minimum Experience**

The bidder must have current experience providing similar medical benefit plan insurance to at least five other employers with 500 or more employees. Current public sector, union group, or Iowa-specific experience is preferred.

### **4.6 Errors and Omissions Insurance**

Each bidder must either provide a copy of a certificate of insurance (not a statement or policy number) showing errors and omissions coverage with a minimum limit of \$1,000,000 per occurrence; or demonstrate that the bidder has alternative mechanisms, either through self-funding or another mechanism, to indemnify the State from such errors and omissions with a minimum limit of \$1,000,000 per occurrence (e.g., a letter from an officer of the company confirming adequate protection).

If this requirement is met through the maintenance of "errors and omissions insurance", all certificates shall contain the following certification and cancellation terms in the same or substantially similar form:

"I hereby certify that I am an authorized representative of each of the insurance companies listed above, and the coverage afforded under the policies listed above will not be cancelled, materially changed, or allowed to expire unless sixty (60) days written notice has been received by the State of Iowa".

\_\_\_\_\_  
Name of Issuing Agency

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Address of Issuing Agency

Date of Issue of E&O Insurance \_\_\_\_\_

### **4.7 Iowa Registration**

The bidder must be qualified to do business in the State of Iowa and must be registered with the appropriate state authorities.



## SECTION 5: FORMAT AND CONTENT OF PROPOSAL

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These instructions prescribe the format and content of the proposal and are designed to facilitate the submission of a proposal that is easy to understand and evaluate. Failure to adhere to the proposal format shall result in the disqualification of the proposal.

### 5.1 Instructions

- All proposals should be prepared simply and economically providing a direct, concise delineation of the bidder's proposal and qualifications. Proposals must meet the criteria set forth in this Section. A proposal checklist has been provided and must accompany submissions.
- Proposals should be typed or printed on 8.5" x 11" paper (one side only).
- All pages of proposals must have consecutive page numbers.
- The bidder must also submit one copy of the proposal from which confidential information has been excised. The confidential material must be excised in such a way as to allow the public to determine the general nature of the material and to retain as much of the proposal as possible.
- Proposals must respond to RFP requirements and questions by restating the number and text of the requirement in sequence and writing the response immediately after the restated requirement.
- **No commissions will be payable.**
- The program will have an effective date of July 1, 2010.
- All fees are to be guaranteed for 1 year; guarantees beyond this time frame will be viewed favorably.
- Dates of service incurred on and after the effective date are covered.
- Any reinsurance agreements or joint administration arrangements must be described in detail in your proposal and will be subject to approval by the State.
- Proposers must comply with the minimum performance objectives outlined in this RFP.
- **If your proposal is different in any way (whether more or less favorable) from that indicated in this RFP, clearly indicate any and all deviations in Attachment 2. If you do not, the submission of your proposal will be deemed a certification that you will comply in every respect (including, but not limited to, coverage provided, funding method requested, benefit exclusions and limitations, underwriting provisions, etc.) with the requirements set forth in this RFP. If you are unable to perform any required service indicate clearly: a) what you are currently unable to do; and, b) what steps will be taken (if any) to meet the requirement, the timetable for that process and who will be responsible for the implementation, along with that person's qualifications.**

### 5.2 Table of Contents

All proposals must include a table of contents and appropriate page number references.

### 5.3 Transmittal Letter

A transmittal letter is required. The transmittal letter shall be signed by an individual authorized to legally bind the bidder. The letter shall include the bidder's mailing address, telephone number, fax number, and email address.

## **SECTION 5: FORMAT AND CONTENT OF PROPOSAL**

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A request for confidential treatment of information shall be included in the transmittal. Any request for confidential treatment must comply with all requirements for such requests as by Section 1 of the RFP. The absence of a request for confidential treatment shall be construed to mean that no portion of the proposal is requested by the bidder to be kept confidential.

### **5.4 Proposal Certification**

Each bidder will sign and submit a certification stating that the contents of the proposal are true and accurate. The substance and form of the proposal certification is included in Attachment 4 to the RFP. The proposal certification must be on the bidder's letterhead and signed by an individual with authority to legally bind the bidder. Failure to provide the certification required by this Section shall result in the rejection of the proposal as noncompliant.

### **5.5 Contents of Proposal**

The proposal submitted must respond to each section of the RFP. Specifically, the proposal must respond to each section of the RFP by restating the number and text of the requirement in sequence and writing the response immediately after the restated requirement indicating, where appropriate, that bidder has read, understands and will comply with the section or provide the required narrative response.

### **5.6 Certification of Independence and No Conflict of Interest**

As Attachment 5 to the Proposal, each bidder shall sign and submit a certification stating that the proposal was developed independently and that no relationship exists, or will exist during the contract period, between bidder and the State that interferes with, or might interfere with, fair competition or is, or might be, a conflict of interest. The substance and form of the certification of independence and no conflict of interest is included as Attachment 5 to the RFP. This certification must be on the bidder's letterhead and signed by an individual with authority to legally bind the bidder in contract. Failure to provide the certification required by this section shall result in the rejection of the proposal as noncompliant.

### **5.7 Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion**

As Attachment 6 to the Proposal, each bidder shall sign and submit with the proposal a certification stating that it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from providing services or transactions by any federal or state department/agency. The substance and form of the certification regarding debarment, ineligibility, and voluntary exclusion is included as Attachment 6 to the RFP. This certification must be on the bidder's letterhead and signed by an individual with authority to legally bind the bidder in contract. Failure to provide the certification required by this section shall result in the rejection of the proposal as noncompliant.

### **5.8 Authorization to Release Information**

As Attachment 7 to the Proposal, each bidder shall sign and submit with the proposal an authorization for the release of information to the State. The substance and form of the authorization is included as Attachment 7 to the RFP. This authorization must be on the bidder's letterhead and signed by an individual with authority to legally bind the bidder in contract. Failure to provide the authorization required by this section shall result in the rejection of the proposal as noncompliant.

## **SECTION 6: EVALUATION OF PROPOSALS**

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### **6.1 Award Process**

The RFP Coordinator will review all proposals for compliance and qualification in terms of the service requirements and minimum qualifications. Following this initial review, an Evaluation Committee will review and score all compliant proposals as well as select finalists. The committee will consider all information provided in the proposal when scoring proposals and may consider relevant information from other sources. The State of Iowa reserves the right to award this contract not necessarily to the firm with the lowest cost but to the firm which will provide the best match to the needs and priorities of the State and its employees.

### **6.2 Evaluation Process**

The Evaluation Committee will prepare a recommendation as to the bidder(s) that should be selected by the State. The State may, in addition to consideration of written proposals:

- Conduct interviews and hear personal presentations from the representatives of vendors selected as finalists.
- Complete reference checks, visit bidder facilities, and take whatever additional actions are deemed appropriate in order to evaluate each bidder's service capabilities.
- Hold any additional meetings that may be required to negotiate a satisfactory contractual arrangement.

The State will conduct an initial review of minimally qualified candidates to select a reasonable number of finalists for review by the Evaluation Committee. The Committee will review and evaluate Technical Proposals and the State's employee benefits consultant, Deloitte Consulting, will review Cost Proposals. Representatives of the Committee may perform reference checks of the finalists and will report the findings to the Committee. A final round of evaluation may include interviews of finalists.

The Evaluation Committee will assign points for each of the evaluation criteria set forth in Section 6.3. The committee will base the points on its assessment of the bidder's response to each section.

### **6.3 Evaluation Criteria and Scoring**

#### **6.3.1. Basis for Evaluating Proposals**

**A. Areas of review.** The selection of the bidder will be based on the State's evaluation of each bidder in the following areas:

- Scope of services;
- Statewide medical and pharmacy network with accessibility on a cost-effective basis to high-quality medical providers;
- Past performance in insuring and administering medical plans as ascertained by reference checks of the largest group clients;
- The professional experience and number of staff assigned to the State's account;
- The extent to which the requirements listed in all sections of this RFP are met or exceeded;
- Willingness to enter into a performance-based contract;

## SECTION 6: EVALUATION OF PROPOSALS

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- Compliance with contract as proposed;
- Responses to the questions;
- Demonstrated financial strength, organizational size, and organizational stability; and
- Cost.

**B. Preference for Iowa-based companies.** In accordance with Iowa Code Section 8A.311(12), preference will be shown to Iowa-based companies where proposals submitted are comparable in price and meet the required specifications.

### 6.3.2. Evaluation Criteria and Scoring

#### **A. Provider Network Offered (250 Points)**

1. Statewide access to a sufficient number of providers
2. Discounts available
3. Provider credentialing and network maintenance

#### **B. Customer Service (100 Points)**

1. Qualifications of staff assigned to service the State
  - Education (required and ongoing)
  - Training
2. Availability of customer service assistance to SPOC employees and personnel
3. Employee education and communication vehicles

#### **C. Administration (150 Points)**

1. Administrative capability and suitability
2. Ability to duplicate requested benefits
3. Claims processing and service staff
4. Speed of claims processing
5. Objective performance measures of accuracy and timeliness of claims processing
6. Technological capabilities
7. Data reporting capabilities
8. Proposed business plan

#### **D. Experience (100 Points)**

1. Experience with large organizations (500 employees or more)
2. Experience with public-sector employers
3. Experience with unionized work force

#### **E. Organizational Qualifications (50 Points)**

1. History
2. Financial strength and stability
3. Adequate size

## **SECTION 6: EVALUATION OF PROPOSALS**

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<b>F. Cost</b>	<b>(350 Points)</b>
1. Premium costs for insurance products	
2. Length of guaranteed rate of premiums	
3. Premium underwriting and renewal approach	
<b>TOTAL</b>	<b>1,000 Points</b>

### **6.4 Notification of Successful Bidder**

After award of the contract(s), all bidders will be notified of the successful bidder.

### **6.5 Verification of Proposal and Contract Negotiation**

The bidders shall meet all applicable contracting requirements imposed by this RFP and Iowa law. The successful bidder must, in a timely manner, enter into the contract with the State to implement the services contemplated by this RFP. It is expected that all such documentation will be executed within forty-five (45) days after the notification of the award. Failure of the successful bidder to agree to the terms of contract within that time period may be grounds for the State to award the contract to another compliant bidder.

### **6.6 Authority of the Department of Administrative Services**

The Department of Administrative Services shall determine the quantity, quality, and acceptability of work and materials purchased under this contract. The Department shall decide all questions regarding performance and fulfillment of the contract, including the obligations of the contractor.

## SECTION 7: PROPOSAL QUESTIONNAIRE

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In order for your proposal to be considered and accepted, your organization must provide answers to the questions presented in this section. Each question must be answered specifically and in detail. Include both the question and the answer in your proposal. An electronic copy of this questionnaire has been provided to facilitate your response.

Reference should not be made to a prior response unless the question involved specifically provides such an option. Be sure to refer to the earlier sections of this RFP before responding to any of the questions, so that you have a complete understanding of all of the State's requirements with respect to the bid.

Please include any additional information in your proposal that you consider useful to the State. However, responses to all of the questions set forth below must be provided.

If this proposal results in your company being awarded a contract and if, in the preparation of that contract, there are inconsistencies between what was proposed and accepted versus the contract language that has been generated and executed, any controversy arising over such discrepancy will be resolved in favor of the language contained in the proposal or correspondence relating to your proposal. **Vendors must clearly note any and all deviations in the Deviations Worksheet in Attachment 2.**

### 7.1 Company Organization, Strength and Experience

1. Provide a brief description of your organization, including your company history, organizational structure, services provided, and length of time you have been in the medical benefits insurance and administration business. Describe any pending agreements to merge or sell the company.
2. Vendors responding to this RFP must be able to substantiate their financial stability. Provide a copy of your audited financial statement or other financial information. Include, at a minimum, a Balance Sheet and a Profit and Loss Statement, together with the name and address of the bank(s) with which you conduct business and the public accounting firm(s) that audit your financial statements. Other sufficient information may include a written statement from a financial institution confirming the creditworthiness and financial stability of the bidder.
3. Is there any pending litigation against the company not disclosed in the most recently audited financial statements? If so, give details and provide an opinion of counsel that the pending litigation will not impair the company's performance.
4. Indicate whether your company has ever been a party to litigation regarding a medical benefit plan contract or agreement. If so, provide details of the specifics. Failure to disclose may constitute grounds for rejection of any proposal for termination of any contract.
5. State whether the bidder, its officers, agents or employees, who are expected to perform services under the State's contract, have been disciplined, admonished, warned, or had its license, registration, charter, certification, or any similar authorization to do business suspended or revoked for any reason.
6. What is your total number of employer clients for medical insurance? In the table below, provide the average number of members in Iowa for the time periods specified:

Medical	Iowa
As of January 2008	
As of January 2009	
As of January 2010	

## SECTION 7: PROPOSAL QUESTIONNAIRE

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7. What is your average client size (in terms of members)? What is the size of your largest client (number of members)?
8. What ratings have you received from the following rating companies?

Company	Rating
A.M. Best	
Standard & Poor's	
NCQA	

9. What fidelity and surety insurance or bond coverage do you carry to protect your clients? Specifically describe the type and amount of the fidelity bond insuring your employees that would protect this plan in the event of a loss. Do you agree to furnish a copy of all such policies for review by legal counsel if requested?

### 7.1.2 References and Experience

10. Provide the following detailed information on a maximum of three (3) of the company's largest benefit plans in which you provide a medical insurance and administrative services. Public sector references of similar size to the SPOC group are preferred.
- Name of employer sponsoring plan
  - Date the vendor was hired
  - Plan inception date
  - Number of members participating in the plan
  - Number of members eligible to participate
  - Types of services provided to plan sponsor
  - Contact information (name, phone number, fax number, email address)
11. Has your organization ever held a contract with the State of Iowa? If so, specify dates, contracting department, the name and title of the state official overseeing the contract, and the services performed.
12. Provide details on specific experience your company has had in each of the following areas. Public sector examples are preferred. (Details will include plan category, name of the employer sponsoring plan, the number of participants involved, and the size of the plan.)
- Performing medical benefit plan insurance and administration.
  - Providing a state-wide medical network.
  - Operating an interactive voice response telephone system for participants.
  - Designing written communication items, such as forms, brochures, PowerPoint presentations, and flyers to be provided to Participants.
  - Receiving electronic eligibility data from employer plan sponsors.
13. State whether, during the preceding three-year period, the bidder has been terminated by any large (>500 employees) client. If bidder has been terminated on any medical benefit plan contract, identify each such contract, provide a description of the facts and circumstances of the termination, and provide the name, address, and telephone number of a contact person with the entity with whom the bidder had the contract.
14. State whether, during the preceding three-year period, the bidder has terminated a contract prior to the expiration of the stated contract term. If so, list all such contracts, provide a description of the facts and circumstances of each termination, and provide the name, address, and telephone number of a contact person with the entity with whom the bidder had the contract.

## SECTION 7: PROPOSAL QUESTIONNAIRE

### 7.2 Implementation and Account Management

15. Describe the process and timetable and specific tasks involved in being operational for the SPOC Plan Year Enrollment (May/June 2010). Include a detailed implementation plan and business plan or timeline. Be specific with regard to the following:

- Timing of significant tasks
- State of Iowa responsibilities
- Transition with incumbent carrier
- Length of time implementation team will be responsible for the State of Iowa
- Staff assigned to attend open enrollment/educational sessions at various State of Iowa employee locations

16. Describe your process for handling transition of care issues and be specific with respect to inpatient and outpatient services. Identify the diagnoses you typically authorize for extended transition of care.

17. Designate the names, titles, location, telephone numbers, email addresses, and fax numbers of the following representatives of the company. For the account service individuals listed, provide brief biographical information, such as years of service with your company, experience as it relates to this proposal, and the number of clients for which they perform similar services.

- a. The key individual representing your company during the proposal process;
- b. The key individuals on your proposed implementation team;
- c. The key individual who will be assigned overall contract management; and
- d. The key individual responsible for day-to-day service.

18. Please provide the following information on the specific areas listed below that will be servicing the State of Iowa.

	<b>Geographical Location(s)</b>	<b>Hours of Operation (Central time)</b>	<b>Is this service Outsourced? Yes or No?</b> <i>If Yes, provide name of company to which the function is outsourced</i>
Member Service Center			<input type="checkbox"/> Yes Specify Company Name: _____ <input type="checkbox"/> No
Claims Administration Office			<input type="checkbox"/> Yes Specify Company Name: _____ <input type="checkbox"/> No
Account Management Office			<input type="checkbox"/> Yes Specify Company Name: _____ <input type="checkbox"/> No
Disease Management			<input type="checkbox"/> Yes Specify Company Name: _____ <input type="checkbox"/> No



## SECTION 7: PROPOSAL QUESTIONNAIRE

			<input type="checkbox"/> No
Utilization Management (If Applicable)			<input type="checkbox"/> Yes <i>Specify Company Name:</i> _____ <input type="checkbox"/> No
Pharmacy Benefit Management (If Applicable)			<input type="checkbox"/> Yes <i>Specify Company Name:</i> _____ <input type="checkbox"/> No
Other (Specify functional area)			<input type="checkbox"/> Yes <i>Specify Company Name:</i> _____ <input type="checkbox"/> No

19. As an attachment to the Proposal, provide a sample of standard management reports that you would agree to provide the State. Include the timing and frequency of these reports.

### 7.3 Claims and Eligibility Administration

20. Please describe any qualifications or clarifications you would like to make regarding your company's ability to meet the requirements stated in this RFP. Are you able to replicate the plan design requested? If not, please describe any and all limitations, accommodations, or suggested modifications.

21. Please provide samples of the following:

- Provider directories for your proposed State of Iowa medical network
- Sample claim forms
- Sample identification cards
- Explanation of Benefits (EOB)
- Enrollment form/kits
- Sample billing statement
- Other, please describe

Is there an additional charge for any of these materials? Can these be customized for the State of Iowa SPOC group? Is there a cost for this service?

22. Describe the claims payment process for participant claims. Describe your claims turnaround times and processes for plan administration. What percentage of claims are submitted electronically? What percentage of claims are auto adjudicated?
23. Describe your utilization management and large case management programs. What is the process for identification of patients for large case management and how claims are transferred to case managers? Finally, what is the ratio of case managers to cases managed?

#### 7.3.1 Disease Management & Wellness

24. Please complete the following chart based on your disease management programs. Are these programs included in your proposal or optional? Is there an additional cost to take advantage of

**SECTION 7: PROPOSAL QUESTIONNAIRE**

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these programs? If so, please list any and all fees and if you bundle services, clearly indicate which programs are included in the bundled fees.

	Start of Program (Yr)	In Development or Current Program	In-house or Outsourced	Outsourced Vendor Name	Fees or Included
Diabetes					
Asthma					
Cancer					
Depression					
Hypertension					
Low Back Pain					
Congestive Heart Failure					
Coronary Artery Disease					
Arthritis					
Gastrointestinal/GERD					
COPD					
HIV/AIDS					
Renal Failure					
High-risk Pregnancy					
Cerebrovascular disease					
Obesity					
Other #1 (please specify):					
Other #2 (please specify):					

25. By disease, how are you identifying candidates for disease management? Is predictive modeling used to identify potential members for case management or disease management? Are members stratified into “severity tiers” based on their relative risk factors? If yes, please describe the outreach protocol based upon the specific strata. Does intervention vary by status of disease? If so, briefly describe the intervention.
26. What have been your outcomes by disease? Are you willing to guarantee the Return on Investment (ROI) for these programs? For example, are you willing to guarantee that the State will save at least the fees for the program in the first year? Are you willing to guarantee a penalty of 20% of the fees if the ROI is not met?
27. Do you send reminder notices for the following wellness screenings? If yes, please indicate who receives the notices. (Check all that apply).

## SECTION 7: PROPOSAL QUESTIONNAIRE

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	Reminder notice (Yes/No)	Who receives the notices? (Member or MD)
Cervical cancer screening		
Cholesterol screening		
Colorectal screening		
Diabetic retinal exam		
Influenza vaccine		
Childhood immunizations		
Mammogram		
Prostate cancer screening		
Other (please specify)		

28. Please provide information on any additional wellness or disease management services not already covered that you would like the State to be aware of.

### 7.3.3 Customer Service

29. What are the specific customer service hours you are proposing for the State of Iowa? The State would prefer access between the hours of 8 am. to 6 pm. Central, 5 days per week. Describe your typical number of customer service representatives per company participants. Do you typically assign fully dedicated representatives to clients of this size?
30. Describe your customer service triage approach (e.g., live or phone tree) and your call tracking abilities. How many menu options does a member have to go through to get to a live operator?
31. Describe your approach to training customer service representatives. Do you provide client-specific member services training prior to implementation?
32. Describe the range of services provided by your customer service representatives and the qualifications of your staff. Are care advisors and/or care coordinators or services included in your customer service model?
33. Describe the performance of the customer service resources that would be available for SPOC members, including your organization's goals and performance (over the last 18 months) for the following statistics:
- Total number of daily incoming calls
  - Number of representatives available to take calls
  - Average customer wait time
  - Number of calls answered
  - Number of calls abandoned
  - Percentage of member services inquiries resolved on the first call
34. Describe how you measure and track customer satisfaction. How is this information used? Describe the grievance and/or appeals protocols in place for plan participants. Do you have a response time goal for which to respond to claim and other questions and complaints?

## SECTION 7: PROPOSAL QUESTIONNAIRE

35. Does your quality improvement program include/track:

Area	Yes	No
Supervisor daily review		
If yes, how many calls to you monitor per month per customer service representative?	____ Calls Per Month Per Rep.	
Silent monitoring of calls for accuracy and service		
Percentage of resolutions on first call within range		
Review of member correspondence		

### 7.3.4 Internet Capabilities

36. Indicate whether Internet- or intranet- based systems to access and/or modify eligibility data, claims data, etc. are available. If available, describe the internal and external systems security measures in place.
37. Complete the following on your Internet capabilities.

	Yes/No	Comments
Does your company have a website?		
Will you provide your booklet certificate in PDF format for the State's use on its web site?		

If you have a web site, what information is provided?

Member Can:	Yes	No
Check for a provider (Name, address and location)		
Check the status of a claim		
Check for their own EOB		
Print out (or request) an ID card		
E-mail a question		
Verify eligibility		
Inquire about plan design		
Review covered items under the plan on-line (i.e., On-line SPD)		
Receive service cost and quality information		
Other?		
Employer Can:	Yes	No
Print Reports		
Print directories		
Order supplies		
Ask a question		
View eligibility information		
Check payment of fees		
Other?		
Provider Can:	Yes	No

## SECTION 7: PROPOSAL QUESTIONNAIRE

Check eligibility of member		
Submit a claim electronically		
Search for a specialist		
Check status of claim payment		
Check to see if an item is covered		
Review plan requirements (for Pre-Cert)		
Other?		

What enhancements are expected to your website and what is the expected delivery date?

38. How do you maintain a secure environment for communicating and transacting business with each audience (plan members, providers, and plan sponsors)? Briefly summarize your participant privacy policy.
39. Please describe the steps you have taken to reduce the possibility of member identity theft. What security measures do you have in place to insure the integrity of your data systems and the personal health information of members on these systems?

### 7.4 Network Accessibility and Disruption

For the SPOC Medical Plan, we are requiring that vendors provide a GeoAccess network accessibility and disruption analysis outlining network access based on the following parameters. This GeoAccess analysis must be provided for your Iowa statewide PPO network. Census files and a top provider report have been provided for your use.

Please provide the GeoAccess summaries and back-up detail for employees who fall both within and outside the following access standards. In addition, please indicate the number of providers listed in the attached SPOC Top Providers report that participate in your network. Your match should include all valid zip codes in which participants reside, including those not in your service area. In addition, you should include only open practices in your analysis.

Provider Type	Access Standard
Primary Care Providers (family/general practice, pediatrics, internal medicine and OB/GYN)	2 in 10 miles
Specialists	2 in 10 miles
Hospitals	1 hospital in 15 miles
Pharmacies	1 pharmacy within 10 miles
State of Iowa Top Providers (attached report)	Indicate which current State of Iowa top providers (see reports provided) participate in your proposed network

40. Please complete the following tables regarding your PPO network in the State of Iowa. County 1 through 5 should be based on the five most populated counties in your network by members

Number of PPO Providers			
Location/Zip Code	Primary Care	Specialists	Hospitals

## SECTION 7: PROPOSAL QUESTIONNAIRE

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State of Iowa			
County 1			
County 2			
County 3			
County 4			
County 5			

41. Is any part of your network leased? Please describe the percentage. If yes, identify owner of the network and the geographic service area.
42. Do you negotiate out-of-state claims? Do you provide a network for out-of-state claims? If so, is this network nationwide? Are out-of-state claims incurred at network providers paid at the in-network level?
43. Do you provide services to out-of-area dependents? If so, how do you identify dependents in an out-of-service area? Can you provide access to network providers at discounted rates to out of town student members?
44. What is your standard process and advance notification timeframe to notify the State and SPOC members of network changes?
45. Do you have a system for maintaining credentialing information? How often is each provider re-credentialed? What information is verified during provider re-credentialing? Please complete the following table.

Verified During Physician Re-credentialing	Utilized (Y/N)
State License	
Malpractice	
Site Visits	
Other; please list	

## SECTION 7: PROPOSAL QUESTIONNAIRE

### 7.5 Performance Criteria

Performance-based measures are required to be included in any State contract pursuant with Iowa Code section 8.47 (1) (Iowa Code 2003). Please review these proposed performance criteria carefully and provide your comments and any deviations in the vendor comments column, and detail in your proposal.

Performance Objective	Vendor Comments
<b><i>Percentage of Premiums at Risk</i></b>	
10% of Administrative Costs	
<b><i>Implementation</i></b>	
Administrator will meet all significant deadlines related to program implementation as discussed and agreed to at the project-planning meeting.	
<b><i>Account Service</i></b>	
The vendor will provide a dedicated account executive that will handle service issues related to the program.	
Standard and agreed upon State-specific reports provided on time.	
<ul style="list-style-type: none"><li>• Prompt notice of state/federal law changes</li><li>• Delivery of contracts and amendments prior to effective dates for review and signatures</li><li>• Regularly scheduled meetings as determined by the State</li><li>• Meeting service quality as determined by the State</li><li>• Prompt resolution of problems</li></ul>	
<b><i>Claims Administration/Quality Assurance</i></b>	
Claims Administration: <ul style="list-style-type: none"><li>• Financial Precision - 98%</li><li>• Accurate Payment Frequency – 99%</li><li>• Claim Turnaround – median average on clean claims of 7 days and 100% of clean claims paid or denied within 30 calendar days</li></ul>	
<b><i>Provider Network</i></b>	
Network Accessibility: <ul style="list-style-type: none"><li>• Minimum of 80% of all participating providers must have open practices</li></ul>	
<b><i>Member Services</i></b>	
Member Services Phone Response/Abandonment Rates: <ul style="list-style-type: none"><li>• 85% reach a live voice within 30 seconds</li><li>• Abandonment rate less than 3%</li><li>• 85% of member services issues will be resolved on the first call</li></ul> Written Responses: <ul style="list-style-type: none"><li>• 85% within 2 working days; 90% within 7 working days; 98% within 30 days</li></ul> ID Card Distribution: <ul style="list-style-type: none"><li>• 100% of initial ID cards mailed within 7 calendar days of receipt of eligibility data for ongoing enrollments</li></ul> Benefit Certificates	

## SECTION 7: PROPOSAL QUESTIONNAIRE

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100% of certificates mailed within 30 days of receipt of eligibility data for ongoing enrollments Eligibility: <ul style="list-style-type: none"><li>• Tapes uploaded bi-weekly from the State</li><li>• 99% of all eligibility records complete and accurate</li></ul>	
<b><i>Client Services</i></b>	
<ul style="list-style-type: none"><li>• Renewal and information requests will be provided to the State in a timely and accurate manner and within 30 days of written request.</li><li>• All written data requests from the State acknowledged within 5 business days. This acknowledgement must include a timeframe for completion.</li><li>• All written data requests must be presented to the State within the timeframes forwarded.</li></ul>	



## **SECTION 8: COST PROPOSAL**

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Please review the Description of Desired Services section of this RFP for funding and plan design information.

### **8.1 Cost Proposal Exhibits**

Please complete the questions and exhibits in this section. These exhibits are to be submitted to Deloitte Consulting only and in a separate sealed envelope. The exhibits must be submitted in the prescribed format and have been provided electronically to facilitate your response.

The rate exhibit requests premium rates for the medical plan based on a fully insured arrangement. This is the required proposal. In addition, the State will also consider alternative funding arrangements. Please complete the cost proposal exhibits in full.

## SECTION 8: COST PROPOSAL

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### FULLY INSURED PREMIUM RATES

#### Two-Tier Rate Structure

2011	Assumed Enrollment	Proposed Rates	= Total Annual Premium
Employee			
Family			
TOTAL			

2012 Rate Cap Guarantee: \_\_\_\_\_

2013 Rate Cap Guarantee: \_\_\_\_\_

Note Assumptions:

#### Three-Tier Rate Structure

2011	Assumed Enrollment	Proposed Rates	= Total Annual Premium
Employee			
Employee + 1			
Family			
TOTAL			

2012 Rate Cap Guarantee: \_\_\_\_\_

2013 Rate Cap Guarantee: \_\_\_\_\_

Note Assumptions:

## SECTION 8: COST PROPOSAL

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### FULLY INSURED — RATE DEVELOPMENT

Please complete the following exhibit to demonstrate how you developed the 2011 proposed rates. Note that the retention costs should be consistent with the overall/total administration cost provided in the *Administration and Retention* table.

		For Illustration Purposes	
	2011	2012	2013
Experience Period			
Projection Period			
Number of Months of Trend			
<b>Premium Component</b>	<b>Cost</b>	<b>Cost</b>	<b>Cost</b>
Premium Revenue			
Aggregate Paid Claims			
IBNR			
Incurred Claims			
Adjustments (list)			
Aggregate Trend			
Projected Claims			
Administration/Retention*			
<b>Total Claims and Expenses</b>			

*\*from Administration and Retention Table*

## SECTION 8: COST PROPOSAL

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### ADMINISTRATION, RETENTION AND TREND TABLES

#### Administration and Retention

	2011*	2012	2013
Administration Component	\$	\$	\$
Claims Processing			
Customer Service			
Communication			
Account Servicing			
Booklets			
Provider Directories			
Profit Margin			
Interest (float)			
Risk/Contingency (100% attachment point)			
Network Access Fees			
COBRA Administration			
Pharmacy Benefit Management			
Disease Management Programs			
All Others (please list individually)			
TOTAL			

\* Note: 2011 guaranteed

### TREND ASSUMPTIONS

#### Weighted Trend

Category	Trends			Weighted Trend
	A. Cost	B. Utilization	Combined (A*B)	
Hospital Inpatient				
Hospital Outpatient				
Other Facility				
Physician Services				
Other Professional Services				
Additional Services				
Other				
Total				

## SECTION 8: COST PROPOSAL

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### 8.2 Cost Proposal Questionnaire

1. Please confirm that coverage will be provided on a no-loss, no-gain basis and that all actively at work requirements and pre-existing condition limitations will be waived for the initial transition.
2. If you are providing any alternate funding arrangement proposals please describe the approach and detailed rating methodology (ex. Self insured, retrospective rating, minimum premium, etc.). Describe the expected impact of this alternative approach and any suggestions you have.
3. Are you willing to cap the administration fee component of your premiums tied to the Consumer Price Index (CPI)?
4. Provide your average discounts/estimated savings off billed charges for your proposed network:

	Des Moines	Statewide
Professional (split out by specialty category if applicable)		
Hospital		
Pharmacy		

5. Please provide your book of business average premium rate increases and experienced medical trend for the last three years.

	Non-Medicare Premium	Medical Trend
2010 Expected		
2009		
2008		

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## **Attachments**

## ATTACHMENT 1 – PROPOSAL CHECKLIST

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### STATE OF IOWA MEDICAL PROPOSAL CHECKLIST

**One original copy of this form must be completed and accompany proposals.**

<b>Item</b>	<b>Provided</b> (Please check if completed and included with your proposal)
<b>Signed Transmittal Letter</b> Accept RFP Terms and Conditions Verification of Iowa Registration	
<b>Errors and Omissions Insurance</b>	
<b>Deviations Worksheet</b> (Attachment 2)	
<b>Proposal Certification Form</b> (Attachment 4)	
<b>Certification of Independence and No Conflict of Interest Form</b> (Attachment 5)	
<b>Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion Form</b> (Attachment 6)	
<b>Authorization to Release Information Form</b> (Attachment 7)	
<b>Questionnaire</b> GeoAccess Network Analysis	
<b>Cost Proposal (to Deloitte Consulting only)</b> Exhibits Cost Proposal Questionnaire	
<b>Proposed Contract Changes</b> (redlined document, if any)	

## **ATTACHMENT 2 – DEVIATIONS WORKSHEET**

## STATE OF IOWA PROPOSAL DEVIATIONS WORKSHEET

**Please complete the following worksheet for any and all deviations included in your proposal. Please add additional pages as needed.**

[illegible]



## **ATTACHMENT 3 – CONTRACT TERMS AND CONDITIONS**

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This Contract for administration of a medical benefits program is between the State of Iowa, through the Iowa Department of Administrative Services, and \_\_\_\_\_.  
The parties agree as follows:

### **SECTION 1. IDENTITY OF THE PARTIES**

**1.1** The State of Iowa, through the Department of Administrative Services (“DAS”), is authorized to enter into this Contract. DAS’s address is Hoover State Office Building, 1305 E Walnut St., Des Moines, IA 50319.

**1.2** Contractor information

### **SECTION 2. PURPOSE**

The parties have entered into this Contract for the purpose of retaining the Contractor to provide the administration of the State of Iowa’s Medical Benefit Program.

### **SECTION 3. DURATION OF CONTRACT**

The term of this Contract shall be July 1, 2010 through June 30, 2012, unless terminated earlier in accordance with the Termination section of this Contract. DAS shall have the option to renew this Contract for up to two, two-year extensions, subject to the written agreement of the Contractor.

### **SECTION 4. DEFINITIONS**

The following words shall be defined as set forth below:

- 4.1 Contract** shall mean all parts of this Contract including, without limitation and by way of example, the first portion of this Contract and the exhibits and attachments to this Contract, the Request for Proposal, and the Contractor’s Response thereto.
- 4.2 Deliverables** shall mean all tangible items specified as deliverables or work product in Section 5 below.
- 4.3 Proposal** shall mean the response by the Contractor to the RFP No. \_\_\_\_\_ including any attachments, appendices, clarifications, addenda or other writings.
- 4.4 RFP** shall mean Request for Proposal No. \_\_\_\_\_, as issued by DAS on January 8, 2010, including any attachments, appendices, clarifications, addenda or other writings.
- 4.5 State** shall mean the State of Iowa.

## **ATTACHMENT 3 – CONTRACT TERMS AND CONDITIONS**

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### **SECTION 5. SCOPE OF SERVICES**

**5.1 Scope of Services.** The Contractor shall provide medical group insurance for State Police Officers' Council (SPOC) employees within the executive branch of Iowa state government. The Contractor will also be expected to provide written communications, handbooks and costs for both legislative and collective bargaining proposals. The Contractor shall provide the following services in accordance with the defined performance expectations as set forth below.

**5.1.1 Personnel.** The Contractor shall maintain sufficient personnel in its offices to enroll eligible employees under the Plan, to process claims, to assist in the reconciliation of any discrepancies between the Contractor's records and those of the State, to answer inquiries of Participants and the State as to claims and other records maintained or generated by the Contractor; and to otherwise fulfill its duties and responsibilities under this contract.

**5.1.2 Telephone Services.** The Contractor shall maintain a toll-free telephone number to respond to Participant inquiries as well as a toll-free TDD line for hearing impaired Participants. Upon proper identification, the Contractor shall, to the extent possible, answer inquiries over the telephone. The Contractor shall also provide an interactive voice response toll-free telephone system, which will enable Participants to obtain current, personalized information concerning their claims as well as general information concerning the Plan. Such system shall be available twenty-four (24) hours a day seven (7) days per week. The Contractor shall advise all Participants of the availability of its toll-free numbers.

**5.1.3 Administration.** The Contractor shall administer the program as described in the Request for Proposals. Under this agreement, the Contractor shall assume fiduciary responsibility for the plan.

**5.2 Consultation and Advice.** The Contractor shall advise the Plan Administrator of present and future changes, legislative or otherwise, which would impact the Plan as well as assist the Plan Administrator in maintaining compliance with any and all regulations and laws. The Contractor shall recommend amendments to the Agreement or changes in program operation as may be required by changing conditions, laws or regulations, or as may be beneficial in offering Participants the most advantageous Plan.

**5.3 Industry Standards.** The contractor represents and warrants that all of the services to be performed hereunder will be rendered using sound, professional practices and in a competent and professional manner by knowledgeable, trained and qualified personnel and that all aspects of the goods and services provided or used by it shall conform to the standards in the insurance industry in the performance of this Agreement. In the absence of a detailed specification for the performance of any portion of this Agreement, the parties agree that the applicable specification shall be the generally accepted industry standard.

**5.4 Personnel to Perform the Services.** As part of the consideration for this Contract, DAS is relying on the personal skills of the key individuals identified in the Contractor's proposal to perform the services described in the scope of services. The Contractor must receive DAS's written approval prior to making any substitutions of key personnel by the Contractor during

## **ATTACHMENT 3 – CONTRACT TERMS AND CONDITIONS**

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the term of this Contract or any extensions thereof. In addition, DAS may prohibit any Contractor personnel or agents from performing services under this Contract if DAS reasonably determines that such individual's performance does not meet DAS's expectations.

**5.5 External Audits.** The State, at its own expense shall have the right to select an independent audit firm to perform audits during the Term and for a period of twenty-four (24) months following the termination of this Agreement. The scope of any such audit shall be limited to review of information regarding the year in which the audit begins and the two (2) immediately previous plan years, unless required or mandated by a regulatory agency or entity. Upon execution of the non-disclosure agreement referred to below in this Section, and any other documents required by law, Company shall allow duly authorized agents or representatives of the State access to Company's premises to audit, monitor, or otherwise evaluate the performance of the Plans or Company's discharge of its contractual requirements and shall promptly produce all records reasonably requested as part of the review or audit. Such access shall be scheduled by the State with Company with no less than twelve (12) calendar days' advance written notice, subject to availability of Company's staff and space. In the event such access is requested by the State, Company shall upon written request as described above, provide and make available the appropriate staff during regular office hours unless other arrangements are agreed to by Company, in advance, to assist in the audit effort, and provide adequate space on Company's premises to reasonably accommodate the representatives conducting such audit. The State warrants that any such audits shall be conducted in compliance with federal and state privacy laws, including, but not limited to, the Administrative Simplification provisions of HIPAA and its implementing regulations.

Records subject to examination shall include all records related to Company's performance under this Agreement, including, but not limited to, case listings, third-party explanations of health care benefits, eligibility records, claims histories, coordination of benefits procedures, quality improvement activities, claims adjudication processes and procedures, complaints and grievances information including logs, any Plan Member

## **SECTION 6. PERFORMANCE MEASURES**

## **SECTION 7. TERMINATION**

**7.1 Termination for cause:** DAS may terminate the Contract resulting from this proposal at any time after (15) fifteen days written notice if the Contractor fails to carry out its provisions. Notwithstanding the above statement, the Contractor shall be paid promptly for services rendered up to the point of termination of the Contract.

DAS shall provide the Contractor with (15) fifteen calendar days' written notice of conditions endangering performance. If, after such notice, the Contractor fails to remedy the conditions contained in the notice, DAS may do one or more of the following:

- exercise any remedy provided by law; and
- terminate the Contractor's services.

### **ATTACHMENT 3 – CONTRACT TERMS AND CONDITIONS**

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Pursuant to Section 134.27, the Contractor shall not be considered to be in default under this Contract, nor shall monetary damages be assessed, if performance is delayed or made impossible by an act of God, or such other event that is beyond the reasonable control of the Contractor. In each such case, the delay or impossibility must be beyond the reasonable control of the Contractor.

Should DAS or the State obtain a money judgment against the Contractor as a result of a breach of this Contract, the Contractor consents to such judgment being offset against monies owed the Contractor by DAS or the State under this or any other agreement with DAS or the State.

Amounts due to DAS or the State as monetary damages may be deducted by DAS or the State from any money payable to the Contractor pursuant to this or any other agreement. DAS or the State shall notify the Contractor in writing of any claims for damages on or before the date DAS or the State deducts such sums from money payable to the Contractor.

Should the Contractor consider DAS to be in default of its obligations, the Contractor shall issue a written notice of default providing for an agreed time frame in which DAS shall have an opportunity to cure, provided that the cure is possible and feasible. If after opportunity to cure, the default remains, the Contractor may exercise any remedy provided by law.

- 7.2 Termination for lack of funds:** Notwithstanding any other provisions of this Contract, if funds anticipated for continued fulfillment of this Contract are at any time not forthcoming or sufficient, either through the failure of the State to appropriate funds, or the discontinuance or material alteration of the program for which funds were provided, DAS shall give written notice as soon as practical documenting the lack of funding, discontinuance, or program alteration. Unless otherwise agreed to by the parties, the Contract shall be terminated on the last day for which appropriations are available.

In no event shall DAS be liable for the payment of unemployment compensation to the Contractor's employees. DAS shall not be liable for the payment of equipment purchase, lease, or rental amounts for which the Contractor may be obligated nor shall DAS be liable for the payment of any other obligation of the Contractor.

Notwithstanding the above, the Contractor shall be paid promptly for services provided up to the point of termination of this Contract.

- 7.3 Termination at Will:** The State may terminate the Contract without penalty on any day by giving written notice to the Contractor at least 30 calendar days prior to the termination. Notwithstanding the above, the Contractor shall be paid promptly for services performed to the point of termination of this Contract.

The Contractor may terminate the Contract without penalty on any given day by giving written notice to DAS at least one hundred eighty (180) calendar days prior to the termination.

## **ATTACHMENT 3 – CONTRACT TERMS AND CONDITIONS**

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### **SECTION 8. CONFIDENTIAL INFORMATION**

- 8.1** The parties acknowledge that the Contractor, in performing its obligations under this Agreement, will have access to health information about individuals that is protected by the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) and the federal Privacy and Security Rules promulgated pursuant to the Administrative Simplification provisions thereunder. The parties acknowledge that the Contractor is a covered entity under the federal Privacy Rule and Security Rule, which shall govern the obligations of the parties with respect to such information. The Contractor’s employees, agents and approved subcontractors may have access to private or confidential data maintained by DAS or DAS’s insurance carriers to the extent necessary to carry out its responsibilities under the Contract. The Contractor must designate one individual who shall remain the responsible authority in charge of all data collected, used, or disseminated by the Contractor in connection with the performance of the Contract. The Contractor shall provide adequate supervision and training to its agents, employees and subcontractors to ensure compliance with the terms of this Contract. The private or confidential data shall remain the property of DAS at all times.
- 8.2** No private or confidential data collected, maintained, or used in the course of performance of the Contract shall by the Contractor be disseminated to any third party without the State’s consent, except (a) as may be required by law, regulation, judicial or administrative process, or in accordance with applicable professional standards, or in connection with litigation pertaining hereto, or (b) to the extent such information (i) shall have otherwise become publicly available (including, without limitation, any information filed with any governmental agency and available to the public) other than as the result of a disclosure by the Contractor in breach hereof, (ii) is disclosed by the State to a third party without substantially the same restrictions as set forth herein, (iii) becomes available to the Contractor on a nonconfidential basis from a source other than the State which the Contractor believes is not prohibited from disclosing such information to the Contractor by obligation to the State, (iv) is known by the Contractor prior to its receipt from the State without any obligation of confidentiality with respect thereto, or (v) is developed by the Contractor independently of any disclosures made by the State to the Contractor of such information. The Contractor must return any and all such private or confidential data collected by the Contractor in the course of the performance of the Contract in whatever form it is maintained promptly at the written request of DAS; provided, however, the Contractor may keep a copy and any notes or extracts related thereto in accordance with applicable professional standards and reasonable business practices subject to the confidentiality obligations contained herein.
- 8.3** The Contractor’s obligation under this Contract shall survive termination of this Contract.

### **SECTION 9. INDEMNIFICATION FOR THIRD PARTY CLAIMS**

- 9.1 By the Contractor.** The Contractor agrees to indemnify, defend and hold harmless the State, its officers, and employees appointed and elected (the “State Entities”) from any and all third party liabilities, damages, settlements, judgments, losses, claims, costs and expenses, including the reasonable value of the time spent by the Attorney General’s Office, and the costs and expenses and reasonable attorneys’ fees of other counsel required to defend the State of Iowa or DAS, related to or arising from:

## **ATTACHMENT 3 – CONTRACT TERMS AND CONDITIONS**

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- 9.1.1** Any breach of this Contract; or
- 9.1.2** Any negligent or wrongful act or omission of the Contractor or any agent or subcontractor utilized or employed by the Contractor; or
- 9.1.3** Any failure by the Contractor to comply with Section 134.4 below (Compliance with the Law); or
- 9.1.4** Any failure by the Contractor to make all reports, payments, and withholdings required by federal and state law with respect to social security, employee income, and other taxes, fees, or costs required by the Contractor to conduct business in the State of Iowa; or
- 9.1.5** Any infringement of any copyright, trademark, patent, trade dress, or other intellectual property right; or
- 9.1.6** Any failure by the Contractor to adhere to the confidentiality provisions of this Contract.

### **9.2 Indemnification by DAS**

- 9.2.1** DAS shall, only to the extent consistent with Article VII, Section 1 of the Iowa Constitution and Iowa Code Chapter 669, indemnify and hold harmless the Contractor from and against any and all costs, expenses, losses, claims, damages, and liabilities arising directly out of this engagement, including, without limitation, the negligence or wrongful acts or omissions of any employee of DAS while acting within the scope of the employee's office of employment in connection with the performance of this Contract.
- 9.2.2** At the option of DAS, the Contractor shall be represented by the Attorney General of the State or special counsel retained by the State or the Attorney General of the State with respect to any litigation brought by or against DAS or such persons with respect to any claims, damages, judgments, liabilities, or causes of action to which such persons may be subject and to which they are entitled to be indemnified hereunder.
- 9.2.3** If DAS makes any indemnity payments pursuant to this Section and the person to or on behalf of whom such payments are made thereafter collects any of such amounts from others, that person shall promptly repay such amounts to DAS, without interest.

- 9.3 Survival.** Indemnification obligation of the parties shall survive termination of this Contract.

## **SECTION 10. PROJECT MANAGEMENT AND REPORTING**

- 10.1 Project Manager.** At the time of execution of this Contract, each party shall designate, in writing, a Project Manager to serve until the expiration of this Contract or the designation of a substitute Project Manager.

- 10.2 Reports.** If any party has identified a problem in writing, the party responsible for resolving the problem shall provide a report setting forth activities undertaken, or to be undertaken, to resolve the problem, together with the anticipated completion dates of such

## **ATTACHMENT 3 – CONTRACT TERMS AND CONDITIONS**

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activities. Any party may recommend alternative courses of action or changes that will facilitate problem resolution. For as long as a problem remains unresolved, written reports shall identify:

- 10.2.1** Any event not within the control of the Contractor or DAS that accounts for the problem;
- 10.2.2** Modifications to the Contract agreed to by the parties in order to remedy or solve the identified problem;
- 10.2.3** Damages incurred as a result of any party's failure to perform its obligations under this Contract; and
- 10.2.4** Any request or demand for services by one party that another party believes are not included within the terms of this Contract.

**10.3 Problem Reporting Omissions.** Either party's acceptance of a problem report shall not relieve the other party of any obligation under this Contract or waive any other remedy under this Contract or at law or equity that other party may have. A party's failure to identify the extent of a problem or the extent of damages incurred as a result of a problem shall not act as a waiver of performance under this Contract. Where other provisions of this Contract require notification of an event in writing, the written report shall be considered a valid notice or amendment for this Contract provided the parties required to receive notice are notified and any amendment is executed by the parties in conformance with the Section of this Contract relating to amendments.

**10.4 Change Order Procedure.** DAS may at any time request a modification to the Scope of Services using a Change Order. The following procedures for a change order shall be followed:

- 10.4.1 Written Request.** DAS shall specify in writing (the "Change Order Request") the desired modifications to the same degree of specificity as in the original Scope of Services.
- 10.4.2 The Contractor's Response.** The Contractor shall submit to DAS a time and cost estimate for the requested Change Order, if it agrees to perform such modified Scope of Services, or a written notice declining to agree to such Change Order within five (5) business days of receiving the Change Order Request.
- 10.4.3 Acceptance of the Contractor Estimate.** If DAS accepts the estimate presented by the Contractor within five (5) business days of receiving the Contractor's response, the Contractor shall perform the modified services subject to the time and cost estimates included in the Contractor response. The performance or modified services by the Contractor shall be governed by the terms and conditions of this Contract.
- 10.4.4 Adjustment to Compensation.** The parties acknowledge that a Change Order for this Contract may or may not entitle the Contractor to an equitable adjustment in the Contractor's compensation or the performance deadlines under this Contract.

## **ATTACHMENT 3 – CONTRACT TERMS AND CONDITIONS**

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### **SECTION 11. LIMITATION OF LIABILITY BETWEEN THE PARTIES**

**11.1** The Contractor expressly acknowledges that the State's benefit offerings are subject to legislative change by either the federal or state government. Should either legislative body enact measures that alter the benefit offerings, the Contractor shall not hold DAS liable in any manner for the resulting changes. DAS shall use best efforts to provide thirty (30) days' written notice to the Contractor of any legislative change. During the thirty-day period, the parties shall meet and make a good faith effort to agree upon changes to the Contract to address the legislative change. Nothing in this Subsection shall affect or impair DAS's right to terminate the Contract pursuant to the termination provisions.

### **SECTION 12. WARRANTIES**

- 12.1 Construction of Warranties Expressed in this Contract with Warranties Implied by Law.** The Contractor represents and warrants that all the concepts, materials and Deliverables produced, or provided to DAS pursuant to the terms of this Contract, shall be wholly original with the Contractor or that the Contractor has secured all applicable interests, rights, licenses, permits or other intellectual property rights in such concepts, materials and Deliverables.
- 12.2** The Contractor represents and warrants that the concepts, materials and the Deliverables and DAS's use of same and the exercise by DAS of the rights granted by this Contract shall not infringe upon any other work, other than material provided by the Contract to the Contractor to be used as a basis for such materials, or violate the rights of publicity or privacy of, or constitute a libel or slander against, any person, firm or corporation and that the concepts, materials and works will not infringe upon the copyright, trademark, trade name, literary, dramatic, statutory, common law or any other rights of any person, firm or corporation or other entity.
- 12.3** The Contractor represents and warrants that it shall perform all of the services hereunder in good faith and will use sound, professional practices in a competent and professional manner by knowledgeable, trained and qualified personnel.
- 12.4** The Contractor represents and warrants that it has full authority to enter into this Contract and that it has not granted and will not grant any right or interest to any person or entity.
- 12.5** DAS will not have any obligations with respect to the Contractor's contractual obligations to its contractors and subcontractors unless otherwise agreed to by DAS.
- 12.6** The Contractor represents and warrants that it is the owner of or otherwise has the right to use and distribute the software, the materials owned by the Contractor, and any other materials, Deliverables, and methodologies used in connection with providing the services contemplated by this Contract.
- 12.7** The Contractor represents and warrants that title to any property assigned, conveyed, or licensed to DAS is good and that transfer of title or license to DAS is rightful and that all property shall be delivered free of any security interest or other lien or encumbrance.
- 12.8** The Contractor warrants that no person or selling agency has been employed or retained to solicit and secure this Contract upon an agreement of understanding of commission, percentage, brokerage or contingency fee except bona fide employees maintained by the



## **ATTACHMENT 3 – CONTRACT TERMS AND CONDITIONS**

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Contractor for the purpose of securing business. For breach or violation of this warranty, the State shall have the right to award this Contract without liability, or in its discretion, to deduct from the contract price or to otherwise recover, the full amount of such commission, percentage, brokerage or contingency.

- 12.9** The Contractor warrants that the prices in its Proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any competitor. No attempt has been made by the Contractor to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition.

### **SECTION 13. CONTRACT ADMINISTRATION**

- 13.1 Independent Contractor.** The status of the Contractor shall be that of an independent contractor. The Contractor, its employees, agents and any subcontractors performing under this Contract are not employees or agents of the State of Iowa or any agency, division, or department of the State. Neither the Contractor nor its employees shall be considered employees of DAS or the State of Iowa for federal or state tax purposes. DAS will not withhold taxes on behalf of the Contractor (unless required by law).
- 13.2 Incorporation of Documents.** Along with this document, the RFP, and amendments and written responses to bidders' questions (collectively RFP) and the Contractor's Proposal submitted in response to the RFP, form the Contract between the Contractor and the DAS and are incorporated herein by reference.
- 13.3 Order of Priority.** In the event of a conflict between the Contract, the RFP and the Proposal, the conflict shall be resolved according to the following priority, ranked in descending order: (1) the Contract; (2) the RFP; (3) the Proposal.
- 13.4 Compliance with the Law.** The Contractor, its employees, agents, and subcontractors shall comply with all applicable federal, state, and local laws, rules, ordinances, regulations, and orders when performing the services under this Contract, including without limitation, all laws applicable to the prevention of discrimination in employment and the mandatory, if any, use of targeted small businesses as subcontractors or suppliers. The Contractor, its employees, agents, and subcontractors shall also comply with all federal, state, and local laws regarding business permits and licenses that may be required to carry out the work performed under this Contract. DAS shall provide notice to the Contractor of potential violations of this subsection 13.4 should DAS become aware of such potential violations.
- 13.5 Amendments.** This Contract may be amended in writing from time to time by mutual consent of the parties. All amendments to this Contract must be in writing and fully executed by the parties.
- 13.6 Third Party Beneficiaries.** There are no third party beneficiaries to this Contract. This Contract is intended only to benefit the State, DAS, and the Contractor.
- 13.7 Choice of Law and Forum.** The laws of the State of Iowa shall govern and determine all matters arising out of or in connection with this Contract without regard to the choice of law provisions of Iowa law. In the event any proceeding of a quasi-judicial or judicial nature is

### **ATTACHMENT 3 – CONTRACT TERMS AND CONDITIONS**

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commenced in connection with this Contract, the exclusive jurisdiction for the proceeding shall be brought in Polk County District Court for the State of Iowa, Des Moines, Iowa. This provision shall not be construed as waiving any immunity to suit or liability including without limitation sovereign immunity in State or Federal court, which may be available to the DAS or the State of Iowa.

- 13.8 Assignment.** Neither party may assign the Contract in whole or in part or any payment arising from the Contract without the other party's prior written consent and subject to such reasonable conditions and provisions, as such party may deem necessary; provided, however, that the Contractor may so assign to an affiliate, related entity or successor in interest to all or substantially all of the assets or business of the Contractor.
- 13.9 Use of Third Parties.** DAS acknowledges that the Contractor may contract with third parties for the performance of any of the Contractor's obligations under this Contract. All subcontractors shall be subject to prior approval by DAS. The Contractor may enter into these contracts provided that the Contractor remains responsible for all services performed under this Contract. All restrictions, obligations, and responsibilities of the Contractor under this Contract shall also apply to the subcontractors. DAS shall have the right to request the removal of a subcontractor from the Contract for good cause.
- 13.10 Integration.** This Contract represents the entire Contract between the parties. The parties shall not rely on any representations, or other statements or warranties that may have been made, which are not included in this Contract.
- 13.11 Headings or Captions.** The paragraph headings or captions used in this Contract are for identification purposes only and do not limit or construe the contents of the paragraphs.
- 13.12 Not a Joint Venture.** Nothing in this Contract shall be construed as creating or constituting the relationship of a partnership, fiduciary relationship, joint venture, or other association of any kind of agent and principal relationship between the parties hereto. Each party shall be deemed to be an independent contractor contracting for services. No party, unless otherwise specifically provided for herein, has the authority to enter into any contract or create an obligation or liability on behalf of, in the name of, or binding upon another party to this Contract.
- 13.13 Joint and Several Liability.** If the Contractor is a joint entity, consisting of more than one individual, partnership, corporation or other business organization, all such entities shall be jointly and severally liable for carrying out the activities and obligations of this Contract, and for any default of activities and obligations.
- 13.14 Supersedes Former Contracts or Agreements.** This Contract supersedes all prior Contracts or Agreements between DAS and the Contractor for the services described in this Contract.
- 13.15 Waiver.** Except as specifically provided for in a waiver signed by duly authorized representatives of DAS and the Contractor, failure by either party at any time to require performance by the other party or to claim a breach of any provision of the Contract shall not be construed as affecting any subsequent right to require performance or to claim a breach.

## **ATTACHMENT 3 – CONTRACT TERMS AND CONDITIONS**

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### **13.16 Notice**

**13.16.1** Any and all notices, designations, consents, offers, acceptances or any other communication provided for herein shall be given in writing by registered or certified mail, return receipt requested, by receipted hand delivery, by Federal Express, courier or other similar and reliable carrier which shall be addressed to each party as set forth as follows:

If to DAS:

Plan Administrator  
Medical Benefit Program  
Department of Administrative Services  
Hoover State Office Building  
1305 East Walnut St.  
Des Moines, IA 50319

If to the Contractor:

**13.16.2** Each such notice shall be deemed to have been provided the earlier of:

**13.16.2.1** At the time it is actually received; or,

**13.16.2.2** Within one (1) business day in the case of overnight hand delivery, courier or services such as Federal Express with guaranteed next day of delivery; or,

**13.16.2.3** Within five (5) business days after it is deposited in the U.S. Mail in the case of registered U.S. Mail as described above.

**13.16.3** From time to time, the parties may change the name and address of a party designated to receive notice. Such change of the designated person shall be in writing to the other party and as provided herein.

**13.17 Cumulative Rights.** Except as specifically provided for herein, the various rights, powers, options, elections and remedies of any party provided in this Contract, shall be construed as cumulative and not one of them is exclusive of the others or exclusive of any rights, remedies or priorities allowed either party by law, and shall in no way affect or impair the right of any party to pursue any other equitable or legal remedy to which any party may be entitled as long as any default remains in any way unremedied, unsatisfied or undischarged.

**13.18 Severability.** If any provision of this Contract is determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other part or provision of this Contract.

**13.19 Time is of the Essence.** Time is of the essence with respect to the performance of the terms of this Contract.

### **ATTACHMENT 3 – CONTRACT TERMS AND CONDITIONS**

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**13.20 Authorization.** Each party to this Contract represents and warrants to the other parties that:

**13.20.1** It has the right, power, and authority to enter into and perform its obligations under this Contract.

**13.20.2** It has taken all requisite action (corporate, statutory or otherwise) to approve execution, delivery, and performance of this Contract, and this Contract constitutes a legal, valid, and binding obligation upon itself in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general principals of equity.

**13.21 Successors in Interest.** All the terms, provisions, and conditions of the Contract shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

**13.22 Audit and Examination of Records.** The Contractor agrees that the personnel of the State and the Auditor of the State of Iowa or any authorized representative of the State, and where federal funds are involved, the Comptroller General of the United States or any other representative of the United States Government, shall have access to, and the right to examine, upon reasonable prior notice and during the Contractor's normal business hours at the Contractor's place of business, audit, excerpt and photocopy any directly pertinent daily time records and receipts for expenses (for items in excess of \$25) billed to DAS and any books, documents, papers, and records of the vendor necessary to verify accurate invoices or payments of this Contract. All daily time records relating to this Contract shall be retained for one (1) year following the date of final invoice or completion of any audit in progress, whichever is earlier. All invoices shall be retained for five (5) years following the date of final payment or completion of any audit in progress, whichever is later.

Compliance with this clause does not relieve the Contractor from retaining any records required by other laws or regulations of federal, state or local governmental units. The Contractor will not be eligible for additional payments from the State, for expenses incurred, to comply with the State's audit requirements set forth in this Section.

**13.23 Solicitation.** The Contractor warrants that no person or selling agency has been employed or retained to solicit and secure this Contract upon an agreement or understanding for commission, percentage, brokerage or contingency excepting bona fide employees or selling agents maintained for the purpose of securing business.

**13.24 Obligations Beyond Contract Term.** This Contract shall remain in full force and effect to the end of the specified term or until terminated or canceled pursuant to this Contract. All obligations of DAS and the Contractor incurred or existing under this Contract as of the date of expiration, termination or cancellation will survive the termination, expiration or conclusion of this Contract.

### **ATTACHMENT 3 – CONTRACT TERMS AND CONDITIONS**

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- 13.25 Counterparts.** The parties agree that this Contract has been or may be executed in several counterparts, each of which shall be deemed an original and all such counterparts shall together constitute one and the same instrument.
- 13.26 Additional Provisions.** The parties agree that if an Addendum, Rider or Exhibit is attached hereto by written agreement of the parties, and/or referred to herein, the same shall be deemed incorporated herein by reference.
- 13.27 Delay or Impossibility of Performance.** The Contractor shall not be in default under this Contract if performance is delayed or made impossible by circumstances or causes beyond its reasonable control, including, without limitation, an act of God, flood, fire, governmental action, war, violence, terrorism, failure to cooperate by any third party (other than a subcontractor of Contractor) or the State, or similar events. In each such case, the delay or impossibility must be beyond the reasonable control and without the fault or negligence of the Contractor. If delay results from a subcontractor's conduct, negligence or failure to perform, the Contractor shall not be excused from compliance with the terms and obligations of this Contract.
- 13.28 Insurance Requirements.** The Contractor shall maintain adequate insurance to fulfill its duties under this Contract, including the duty to indemnify the State and DAS pursuant to Section 9 above.

### **ATTACHMENT 3 – CONTRACT TERMS AND CONDITIONS**

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#### **SECTION 14. EXECUTION**

**IN WITNESS WHEREOF**, in consideration of the mutual covenants set forth above and for other goods and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Contract and have caused their duly authorized representatives to execute this Contract.

**State of Iowa**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
By:

\_\_\_\_\_  
By:

**ATTACHMENT 4 – PROPOSAL CERTIFICATION**

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Date

Iowa Department of Administrative Services – HRE  
Attn: Mr. Edward Holland  
Hoover State Office Building  
1305 East Walnut Street  
Des Moines, Iowa 50319-0150

**RE: Request for Proposals – Medical Benefits Program (005-SPOC-M)  
-PROPOSAL CERTIFICATION-**

Mr. Holland:

I certify that the contents of the proposal submitted on behalf of (Name of Bidder) in response to the State of Iowa Request for Proposals – Medical Benefits Program, are true and accurate. I also certify that (Name of Bidder) has not made any knowingly false statements in this proposal.

Sincerely,

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

**ATTACHMENT 5 – CERTIFICATION OF INDEPENDENCE AND NO CONFLICT OF INTEREST**

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Date

Iowa Department of Administrative Services – HRE  
Attn: Mr. Edward Holland  
Hoover State Office Building  
1305 East Walnut Street  
Des Moines, Iowa 50319-0150

**RE: Request for Proposals – Medical Benefits Program (005-SPOC-M)  
- CERTIFICATION OF INDEPENDENCE AND NO CONFLICT OF INTEREST**

Mr. Holland:

By submitting a proposal in response to the State of Iowa Request for Proposals – Medical Benefits Program, the undersigned certifies the following:

- 1 The proposal has been developed independently, without consultation, communication or agreement with any employee or consultant to the State who has worked on the development of this RFP, or with any person serving as a member of the evaluation committee.
- 2 The proposal has been developed independently, without consultation, communication or agreement with any other bidder or parties for the purpose of restricting competition.
- 3 Unless otherwise required by law the information found in this proposal has not been knowingly disclosed and will not be knowingly disclosed prior to the award of the contract, directly or indirectly to any other bidder.
- 4 No attempt has been made or will be made by (Name of Bidder) to induce any other bidder to submit or not submit a proposal for the purpose of restricting competition.
- 5 No relationship exists or will exist during the contract period between (Name of Bidder) and the State of Iowa that interferes with fair competition or that would create a conflict of interest.

Sincerely,

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title



**ATTACHMENT 6 – CERTIFICATION REGARDING DEBARMENT, SUSPENSION,  
INELIGIBILITY, AND VOLUNTARY EXCLUSION**

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Date

Iowa Department of Administrative Services – HRE  
Attn: Mr. Edward Holland  
Hoover State Office Building  
1305 East Walnut Street  
Des Moines, Iowa 50319-0150

**RE: Request for Proposals – Medical Benefits Program (005-SPOC-M)  
- CERTIFICATION REGARDING DEBARMENT, SUSPENSION,  
INELIGIBILITY, AND VOLUNTARY EXCLUSION -**

Mr. Holland:

By submitting a proposal in response to the State of Iowa Request for Proposals – Medical Benefits Program, the undersigned certifies the following:

1. I certify that to the best of my knowledge, (Name of Bidder) and its principals: (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transaction by a Federal department or agency; (b) have not within a three year period preceding this proposal been convicted of, or had a civil judgment rendered against them for the commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction, violation of antitrust statutes or commission of embezzlement, theft, forgery, falsification or destruction of records, making false statements, or receiving stolen property; (c) are not presently indicted for other criminally or civilly charge by a government entity (federal, state, or local) with the commission of any of these offenses enumerated in (b) of this certification; and (d) have not within a three year period preceding this proposal had one or more public transactions (federal, state, or local) terminated for cause.
2. This certification is a material representation of fact upon which the State of Iowa has relied when this transaction was entered into. If it is later determined that the undersigned knowingly rendered an erroneous certification, in addition to other remedies available, the State may pursue available remedies including suspension, debarment, or termination of the contract.

Sincerely,

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

## **ATTACHMENT 7 – AUTHORIZATION TO RELEASE INFORMATION**

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Date

Iowa Department of Administrative Services – HRE  
Attn: Mr. Edward Holland  
Hoover State Office Building  
1305 East Walnut Street  
Des Moines, Iowa 50319-0150

**RE: Request for Proposals – Medical Benefits Program (005-SPOC-M)  
- AUTHORIZATION TO RELEASE INFORMATION -**

Mr. Holland:

The undersigned hereby authorizes the State of Iowa to obtain information regarding its performance on other contracts, agreements or other business arrangements, its business reputation, and any other matters pertinent to the evaluation and selection of a successful bidder in response to Request for Proposals – Medical Benefits Program.

The undersigned hereby releases, acquits, and forever discharges the State of Iowa, their officers, directors, employees and agents from any and all liability whatsoever, including all claims, demands and causes of action of every nature and kind affecting the undersigned that it may have or ever claim to have relating to information, data, opinions, and references obtained by the State in the evaluation and selection of a successful bidder in response to Request for Proposals – Medical Benefits Program.

The undersigned hereby authorizes representatives of the State to contact any and all of the persons, entities, and references that are, directly or indirectly, listed, submitted, or referenced in the undersigned proposal submitted in response to Request for Proposals – Medical Benefits Program.

The undersigned further authorizes any and all persons or entities to provide information, data, and opinions with regard to the undersigned's performance under any contract, agreement, or other business arrangement, the undersigned's ability to perform, the undersigned's business reputation, and any other matter pertinent to the evaluation of the undersigned. The undersigned hereby releases, acquits, and forever discharges any such person or entity, their officers, directors, employees and agents from any and all liability whatsoever, including all claims, demands and causes of action of every nature and kind affecting the undersigned that it may have or ever claim to have relating to information, data, opinions, and references obtained by the State in the evaluation and selection of a successful bidder in response to Request for Proposals – Medical Benefits Program.

A photocopy or facsimile of this signed Authorization is as valid as an original.

Sincerely,

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

## **ATTACHMENT 8 – MEDICAL CLAIMS INFORMATION**

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### **Claims Information**

## **ATTACHMENT 9 – STATE OF IOWA – TOP PROVIDERS REPORT**

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### **Top Providers Report**

## **ATTACHMENT 10 – MEDICAL PLAN BOOKLETS**

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### **SPOC Medical Plan Booklets**

## **ATTACHMENT 11 – SPOC CENSUS**

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### **SPOC Census**